

# STATE OF HOUSING

## Summer Town Meeting

Gloria McPherson, Housing & Sustainability Director

August 8, 2023



## Overview of Presentation

- Housing Terms
- Housing Stats
- Housing Goals and Strategies
- Current Housing Initiatives
- Questions



## Key Terms

**Area Median Income (AMI)** – the midpoint of a county’s income distribution, adjusted by family size, used as the basis of eligibility for most state and federal housing assistance programs, and calculated annually by HUD

\*2023 AMI for a family of four is \$115,063, for a single person household is \$80,562

**Affordable Housing** – housing available to households earning no more than 80% AMI, at a cost that is no more than 30% of total household income, state and federal funding is available, counts toward the Town’s Subsidized Housing Inventory

\*The AHTF can fund projects up to 100% AMI.

**Attainable Housing** – defined by the Town of Chatham as housing for households earning up to 200% AMI.

**Workforce Housing** – no accepted definition, but state funding available for “workforce housing” up to 120% AMI

**Local Preference** – With application and justification, up to 70% of affordable units in a project can be reserved for people who live or work in Chatham or have children in Chatham schools.



## Key Terms

**Subsidized Housing Inventory (SHI)** – compiled by the EOHLC as a measure of a community's stock of low or moderate-income housing, according to M.G.L Chapter 40B.

\*Chatham's SHI includes 180 affordable housing units, representing **4.86%** of the total yr-round housing stock of 3,700 units

**Chapter 40B** - The commonwealth's regional planning law to address regional housing disparities

- assumes communities have met their regional “fair share” if at least **10%** of their housing stock is included in the SHI
- allows developers to override local zoning if:
  - ✓ less than 10% of year-round housing stock is included in the SHI or housing production goals are not met; and
  - ✓ 25% of the total units developed are affordable

\*If Chatham meets this 10% requirement, the Town can reject 40B applications we don't like, but **we NEED 40B** to develop housing!

**Housing Production Plan (HPP)** - a community's proactive strategy for planning and developing affordable housing that meets its needs in a manner consistent with the Chapter 40B.

The most recent Housing Production Plan was created by the Town in 2018 and does not include Attainable Housing.



## HUD 2023 Income Limits Based on Area Median Income (AMI) for Barnstable County

% of Area Median Income	1 person household	2 person household	3 person household	4 person household
Affordable Housing				
50 %	40,300	46,050	51,800	57,550
60 %	48,360	55,260	61,160	69,060
80 %	64,450	73,650	82,850	92,050
Attainable Housing				
100%	80,562	92,063	103,563	115,063
110%	88,618	101,269	113,919	126,569
120%	96,674	110,476	124,276	138,076
150%	120,843	138,095	155,345	172,595
180%	145,012	165,713	186,413	207,113
200%	161,124	184,126	207,126	230,126



## MEDIAN HOME SALES PRICE IN CHATHAM

2019 — 2022

\$725K

2019

\$826.5K

+14%

2020

\$1.14M

+38%

2021

\$1.20M

+5%

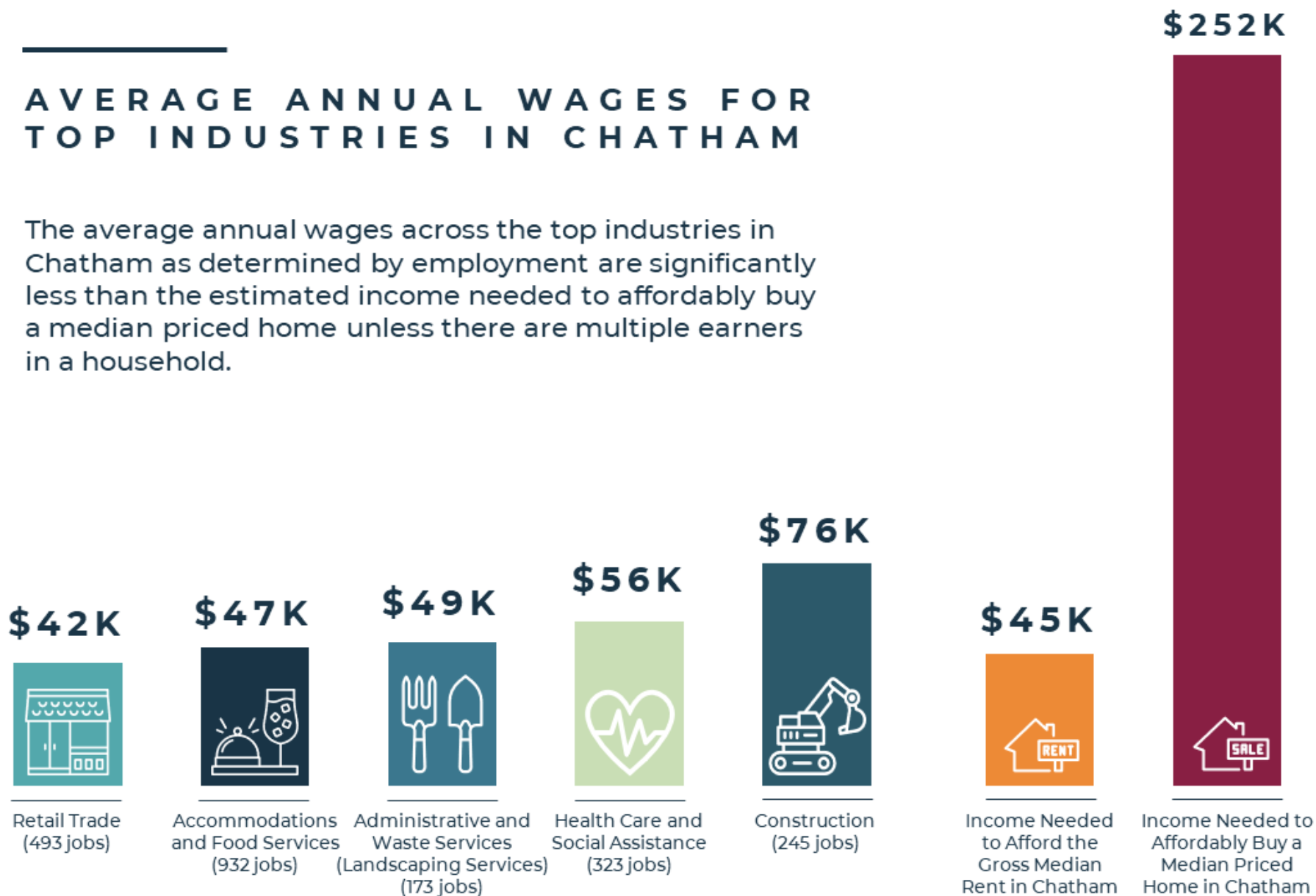
2022

Data source: Cape Cod and Islands Association of Realtors; includes both single-family and condominium sales



## AVERAGE ANNUAL WAGES FOR TOP INDUSTRIES IN CHATHAM

The average annual wages across the top industries in Chatham as determined by employment are significantly less than the estimated income needed to affordably buy a median priced home unless there are multiple earners in a household.



## Select Board 2023 Goals and Objectives

Goal Category:

Social Infrastructure

Objective:

Increase the inventory of affordable and attainable housing units in Chatham





# Current Housing Strategies

- Housing Needs Assessment and Housing Production Plan Update
- Deed Restrictions
- Home Rule Petitions
- Zoning
- Transfer of Use of Town-owned Land for Housing Purposes
- Acquisition of Land for Housing Purposes



# Housing Production Plan Update

Chatham last updated its Housing Production Plan in 2018.

Updated HPP will provide a thorough understanding of current housing conditions and the needs of current and projected future populations and expand our current affordable housing policies and practices to address those needs.

Components of the 2023 HPP update will include:

- Housing Needs Assessment for affordable and attainable housing
- Community Outreach and Participation
- Housing Production Strategy to meet affordable housing needs consistent with Ch 40B
- Housing Production Strategy to meet identified attainable housing needs



# Housing Production Plan Update

The HPP will identify a menu of tools for reducing the housing affordability gap and will also provide a set of strategies to help Chatham develop its affordable and attainable housing capacity:

- Deed restriction and buydown programs
- Giving programs for residents who want to leave their homes to the town
- Year-round residency restrictions
- Zoning and other regulatory changes
- Partnerships with developers, service providers and subsidy programs
- Possible functions of a private housing trust
- Creative financing strategies such as limited equity co-ops
- Creative development strategies such as co-housing
- Legislative advocacy so the unique needs of Chatham and the Cape are better understood and addressed at the state level

This will form the basis for a 5-Year Action Plan with updated goals and strategies and a new section focused on implementation that identifies **specific programmatic components** necessary to implement high priority strategies



# Deed Restrictions

## In perpetuity

## Affordability

- CHOP houses
- Voluntary deed restriction program through RFP

## Year-round residency

- Currently no mechanism for deed restrictions without an affordability component
- SD 1040 “An Act relative to year-round housing occupancy restriction” filed 1/18/2023 by Julian Cyr and Sarah Peake
- Provincetown – 26 Shank Painter Road project – Town will convey the property with a deed restriction that all units must remain as year-round rentals, would prohibit the conversion of any units into condominiums, and would prohibit the units from being short-term rented



# Home Rule Petitions

## **H1365, an Act facilitating the appropriation and expenditure of community preservation funds for community housing purposes in the town of Chatham**

- would allow CPA funds to be used for attainable housing up to 200% AMI (currently our AHT can fund projects up to 100% AMI)

## **H1366, an Act establishing a housing trust fund in the town of Chatham**

- would create the framework for which these funds could be used under a single, expanded Affordable Housing Trust

These two bills would provide two additional local tools for Chatham to address the full range of our housing need

June 26, 2023 – Joint Committee on Housing met and took testimony



# Home Rule Petitions

## Home Rule Petition to Establish a Real Property Transfer Fee to Fund Affordable/Attainable Housing

- 0.5% RE transfer fee paid on purchase price over \$2 million – paid by purchaser
- Home Rule Petition first submitted to legislature in 2021 after Town Meeting approval
- Can serve up to 200% AMI
- Had it been in place last year, would have generated \$965,450
- 10-yr horizon, can be extended in 5-yr increments by Town Meeting vote
- Fought vigorously by Massachusetts Association of Realtors
- Senator Cyr optimistic under Healey Administration



# Zoning

In progress:

- West Chatham Neighborhood Center Zoning
- Inclusionary and Incentive Zoning

Future possibilities:

- Small Lot Zoning – maybe like Nantucket's Covenant Program
- Two-family by right
- Apartment incidental to Commercial Use
- Conversion of existing dwelling to multi-family



# Land for Housing Purposes

## Recent Major Funding Allocations:

- \$1,000,000 CPA funds for land acquisition – 2021
- \$500,000 CPA funds for land acquisition – 2022
- \$687,500 General Funds for acquisition of the Buckley property – 2022
- \$1,000,000 CPA funds for land acquisition and to capitalize a deed restriction program – 2023

## Recent Major Affordable Housing Trust Actions:

- Purchase of Meetinghouse Road property, South Chatham - 2022
- Purchase of Main Street property (former Buckley property), West Chatham – 2022

## Recent Major Town Meeting Actions:

- Increased Local Room Occupancy Tax and Earmarked 1% for Attainable Housing – 2022
- Created Special Revenue Fund for Attainable Housing – 2022
- Stepping Stones Road property – transferred use to Housing – 2023
- 127 Old Harbor Road – transferred use to Housing – 2023





## Four Properties in Play

- Stepping Stones Road
- 127 Old Harbor Road
- Meetinghouse Road – South Chatham
- Main Street – West Chatham

\*Potential 5<sup>th</sup> Property: 193 Stony Hill Road



# Stepping Stones Road



# Stepping Stones Road

Where we are:

- Test fits completed for single-family and duplex ownership units

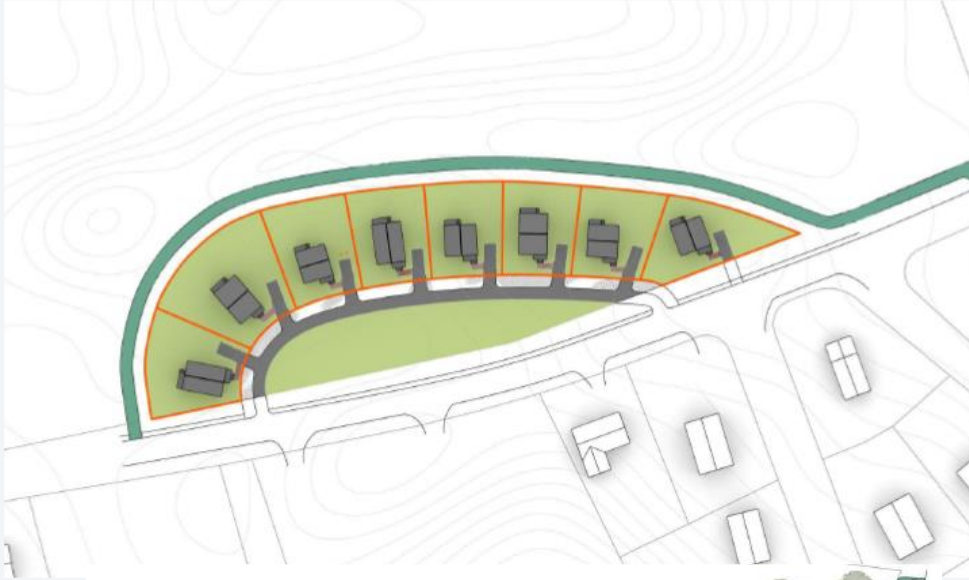
Next steps:

- AHT has asked for additional development options
- Design and engineering of sewer extension





## Stepping Stones Road



## 127 Old Harbor Road



# 127 Old Harbor Road

Where we are:

- Staff walk-through and inspection
- Oil tanks pumped and removed

Next Steps:

- Feasibility study and evaluation of the house and barn structures for suitability for reuse for housing purposes
- Development scenarios looking at density, income limits and ownership vs. rental
- Potential zoning change
- Sewer extension





## Meetinghouse Road



# Meetinghouse Road

Where we are:

- Community Engagement with Barrett Planning in progress
- On site meeting with abutters
- Request for Information (RFI) issued to developers – 4 responses from 5 developers received
- Grant application submitted for design and engineering of access drive

Next steps:

- Review RFI responses with AHT to inform decision-making – August 29
- Preferred development concepts regarding density and building type
- Project will be all Affordable (funding sources for Affordable favor rentals)
- Revised concept plans from consultants
- Issuance of RFP for development this fall/winter

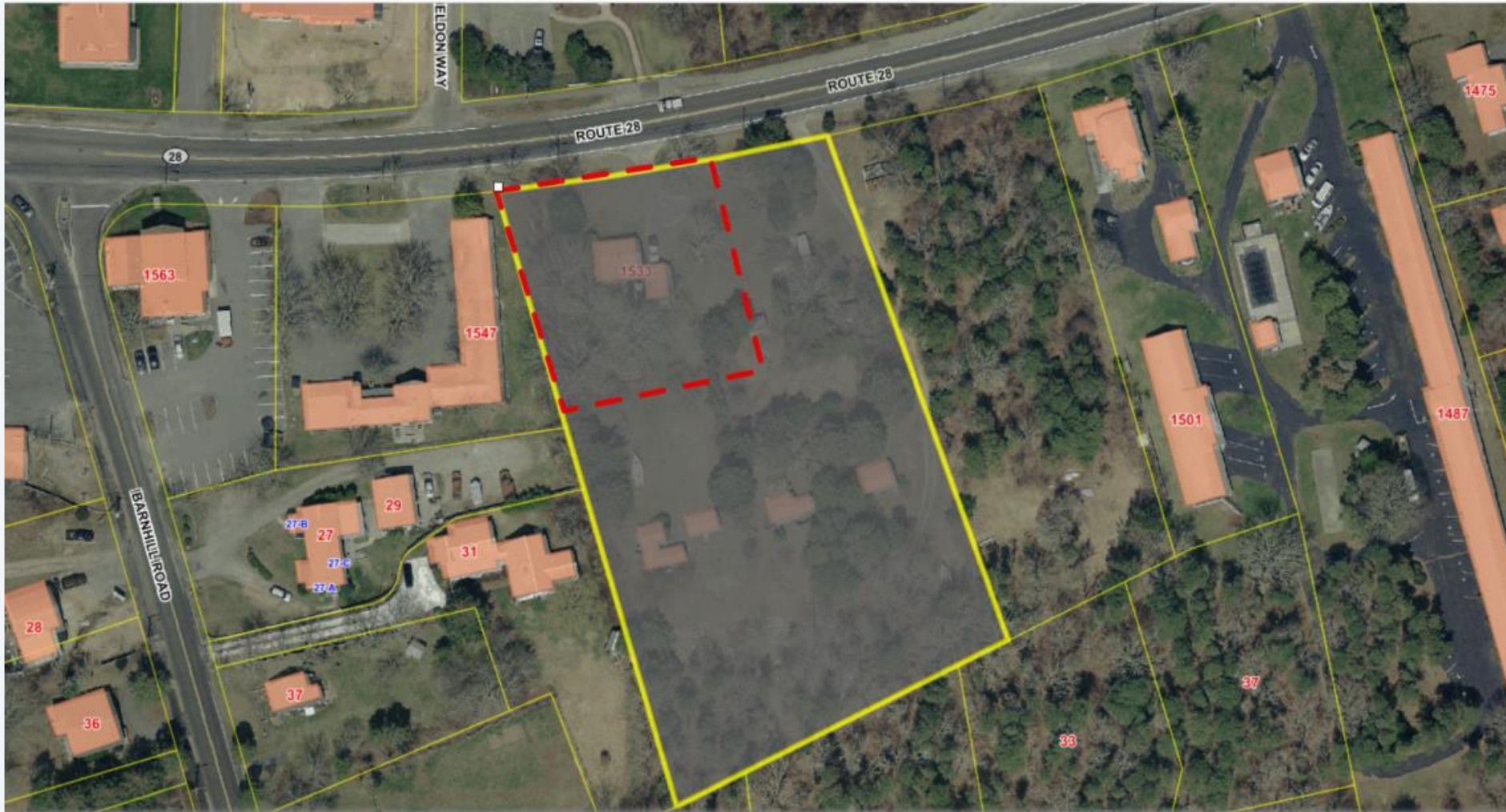




## Meetinghouse Road



## Main Street





# Main Street

Where we are:

- Community Engagement with Barrett Planning in progress
- Request for Information (RFI) issued to developers – 4 responses from 5 developers received

Next steps:

- Review RFI responses with AHT to inform decision-making – August 29
- Preferred development concepts regarding density and building type, affordable/attainable mix, ownership vs. rental
- Project can be up to half Attainable Housing
- Revised concept plans from consultants
- Issuance of RFP for development this fall/winter

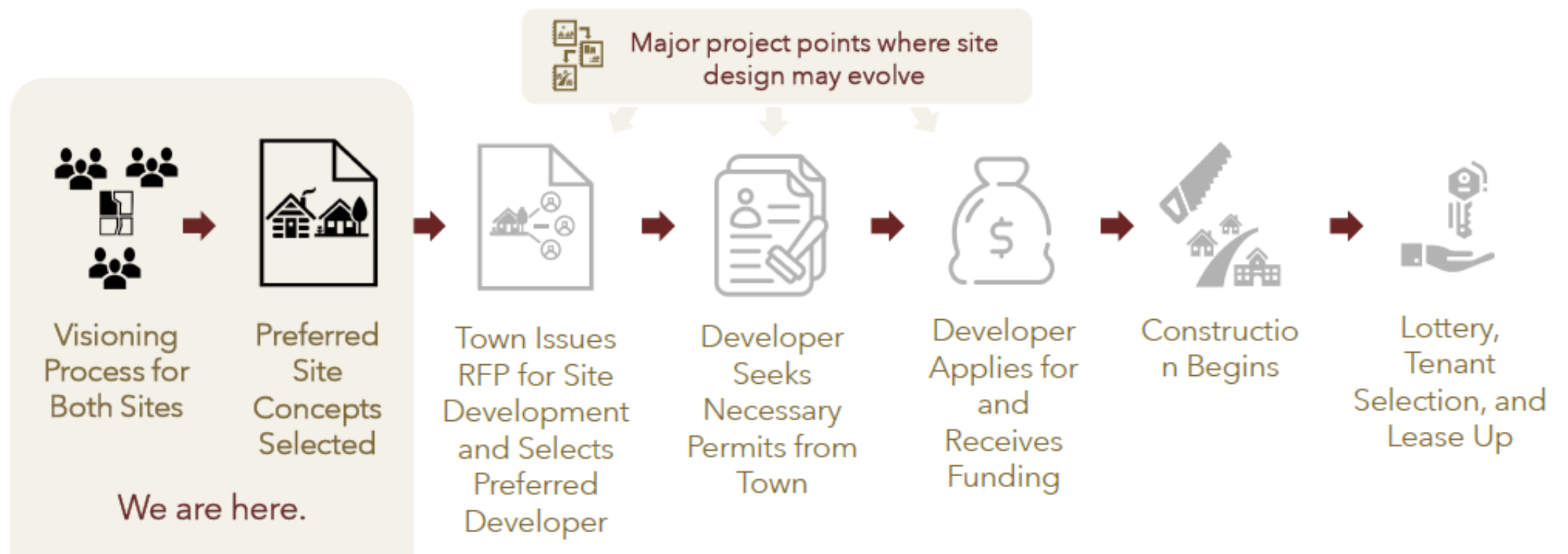


## Main Street





## What will long-term implementation look like?



## THANK YOU

Visit the Chatham Housing Office webpage at <https://chatham-ma.gov/687/Chatham-Housing-Office> to learn more.

**For further questions, email:**

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